



Inflection

INDUSTRY

Home renovation, construction

CO FOUNDED

2012
David Petersen &
Jiyan Wei

SCOPE

\$1 billion/year remodeling
projects managed

CONTRACTORS PROFILES

3,200,000

AVERAGE PROJECT

\$40,000

CASE STUDY

Raising Trust Without Razing Sign Ups



CHALLENGE

Increase homeowner trust to close large projects without deterring contractor participation.

SOLUTION

Conduct instant background checks on contractors through Inflection's solution.



If the contractors on BuildZoom aren't trustworthy, we don't have a business.

David Petersen, BuildZoom CEO & Co-founder

That stark truth from BuildZoom CEO Dave Petersen drives everything at the company. When you consider what's at stake, it's easy to see why.

The company manages more than \$1 billion of remodeling projects each year, and the average customer spends \$40,000 per project. Though the money matters to people, Petersen points out that remodeling projects literally affect people where they live.

“The work affects their most important possession – their home,” he says. “We are sending people into homes for months at a time, so there's a personal security and comfort factor.”

Overcoming Owners' Fears

The company arose from the difficulty cofounder Jiyan Wei encountered in finding trustworthy contractors to work on his own home. Wei and childhood friend Petersen started the company to give homeowners more visibility into contractors' track records. The BuildZoom homepage touts its value proposition: “Find a contractor you can trust – for free.”

From the start, the company invested in trust indicators, relying on contractor license data, insurance, homeowner reviews, and a long paper trail of building permits to feed the custom algorithm that assigns each contractor a BuildZoom score.

But Petersen and team wanted to offer homeowners a more comprehensive view of contractor history, so they began testing background check solutions. What they found surprised them.

“When we ran background checks on contractors, a small but not completely insignificant percentage of them had real issues,” Petersen said.

A pilot test of 40 contractors returned many more results than expected. In fact, two contractors out of the initial 40 had convictions serious enough to deny them admission to the platform – and to validate the need for a background screening solution.

Getting Results Without Scaring Off Contractors

For its business to grow, BuildZoom needs a healthy supply of trustworthy contractors to meet consumer demand in the growing number of cities it supports. Anything that deters contractors from signing up could hurt the business. Yet the company knew it needed reliable, accurate background information.

How to get accurate background check results without requiring people to provide sensitive information like Social Security numbers is a challenge facing many online platforms. It's also what drew BuildZoom to the SafeDecision solution from Inflection.

Using simple inputs like legal name and date of birth, the SafeDecision solution quickly searches hundreds of millions of public records to find associated criminal records. A machine-learning algorithm helps match the records to the right person, taking aliases, name changes, and other factors into account. Results are returned in milliseconds.

Choosing The Right Solution

Data quality along with the need for limited inputs topped the list of must-haves for any solution, according to Product Manager Nate Robert, who oversees the SafeDecision implementation at BuildZoom.

Speed and compliance with applicable laws were table stakes. But the nearly immediate results returned, responsive team, and attention to compliance detail and education the Inflection team provided stood out. "The Inflection team made it easy to understand how to update our Terms of Service and walked us through all the legal considerations we needed to be aware of," Robert said.

At the top of the compliance-consideration list is the Fair Credit Reporting Act (FCRA), which governs the use of background checks and other consumer reports for employment, credit, insurance, and other decisions. While traditional employers must follow the FCRA when using background check services, few FCRA-compliant trust and safety solutions for peer-to-peer platforms exist.

How It Works

The SafeDecision solution offers both API and portal access. BuildZoom chose the portal option in order to get the solution up and running quickly, without development resources.

For the initial roll out, BuildZoom focuses on its Master Contractors, the highest rated professionals on the platform. BuildZoom's operations team interviews contractors eligible to join the program, explains the background check, and collects the legal name and date of birth details. Once a week, they upload the details to the secure SafeDecision portal. Within seconds, the team can see whether any of the contractors have relevant criminal records.

Robert reports that the team found the product easy to use from the start. And, when they provided feedback, the Inflection team quickly met their needs.

For example, the BuildZoom team considers both the seriousness and the recency of any offenses when making a decision. So Robert asked for an easy way to sort results by felonies and misdemeanors and to see the date of the conviction on the first screen of the results. In just two weeks, Inflection's team provided the new capabilities.

Phased Roll Out Shows Rising Value

"The SafeDecision solution filled in one of the last holes in our evaluation of contractors," Robert said. "Reviews are more qualitative, but a background check is concrete. Background checks give us a transparent history of the contractor and more depth than some other metrics."

So far, the contractors themselves are onboard, and Robert said that many see it as a way to differentiate themselves by promoting it on their profile. After all, honest contractors are looking for ways to differentiate themselves and reassure homeowners, too.

When homeowners are considering working with a Master Contractor, BuildZoom sends them an email explaining that members of the program are the highest rated on BuildZoom and that they've undergone a background check.

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Being able to offer a comprehensive background check has made us more confident in our marketplace, and it has been popular with our customers.

David Petersen, BuildZoom CEO & Cofounder

Robert recounts a recent instance of a homeowner hesitating about hiring a contractor who hadn't yet been background checked for a \$500,000 remodeling project. BuildZoom ran the background check, got back to the homeowner within a few minutes, and the contractor got hired.

Working With A Trusted Partner

Although the operations team hadn't previously conducted background checks, it was easy to get set up to start running background checks. "It's a quick and efficient process," Robert says.

Given its value, BuildZoom plans to expand the background checks program beyond the Master Contractors to more of the 3.2 million contractors in its database in the future.

The company is also considering implementing the API option and an "ongoing alert" program that would monitor background checks for any new convictions over time.

Robert attributes the company's willingness to expand the program in part to the relationship they've built with the SafeDecision team. "Inflection's team has been very easy to work with," he says. "They're very responsive to feedback, and running these background checks has been a huge value add in promoting homeowner trust."

Ultimately, BuildZoom differentiates itself and its contractors through its dedication to improving safety for homeowners.

"Being able to offer a comprehensive background check has made us more confident in our marketplace, and it has been popular with our customers," CEO Petersen says.

He caps everything off this way: "We are trying to build the first national brand in remodeling, and at the core of that is trust."

Inflection's SafeDecision API can help you increase trust so you can grow your business.

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